Pension World

The Magazine for Plan Sponsors and Investment Managers/ A Publication of Communication Channels, Inc.

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Equitable Expands Its Investment Horizons

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Equitable expands its investment horizons

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Cover: **Highlights of Equitable's investment activities are featured, clockwise from top left: Equitable Investment Management Corporation's Franklin Kennedy III, chief investment officer; Donald R. Kurtz, chairman; Judith A. Taylor, portfolio manager; and Richard L. Winters, head of equity trading, discuss trading strategies before the opening of the market. Equitable Center, a 54-story office tower in midtown Manhattan, will become the company's new headquarters when completed later this year. Timberfund is one of Equitable's new investment products.**

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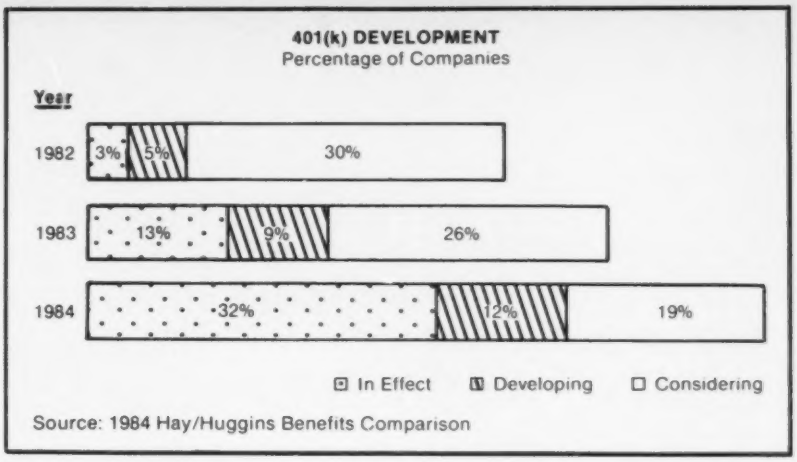
401(k) explosion continued in 1984

■ The 401(k) concept continues to be widely received by employers and employees alike, according to the December Hay/Huggins Bulletin on Employee Benefits & Actuarial Services.

Because of its tax saving opportunity, the percentage of responding companies currently sponsoring 401(k) plans has almost tripled since last year. As the accompanying graph indicates, 63 percent of the participants have a plan, are in the development stage or are seriously considering one. The majority have amended an already existing capital accumulation plan to add a 401(k) feature. Most employers will match employees' contributions; the remainder are set up as pure salary reduction plans. Fairly high deferral rates were reported among those plans already in operation, with participation levels almost as high in the lower-paid group as in the higher-paid. For more information contact Hay/Huggins CLIENT SERVICES STAFF, 229 S. 18th St., Philadelphia, PA 19103.



Source: 1984 Hay/Huggins Benefits Comparison

In brief ...

■ **Equitable Real Estate Investment Management, Inc.**, New York, says its $2.6 billion pooled Real Estate Account No. 8 showed a 14.1 percent return in 1984. Income accounted for 7.5 percent of the 1984 gain; property appreciation, for 6.6 percent. The account has 270 clients and 233 properties...**The Wyatt Company** has acquired **Stone, Young & Company**, Upper Montclair, NJ, an actuarial and pension consulting firm...**MIDCO**, The Prudential's pension investment account for stocks of small and mid-sized companies, has achieved a 104.3 percent return on investor funds since its inception in September 1980, as compared to 63.6 percent for the Standard and Poor's 500-Stock Index...The value of the total Individual Retirement Account market increased by $40 billion from December 1983 to December 1984, according to estimates from the **Investment Company Institute**...**The Travelers Corporation** has agreed in principle to acquire **Brokers Mortgage Service, Inc.**, West Collingswood, NJ, a regional mortgage banking business which originates, sells, and services mortgage loans...**Landauer Advisors, Inc.**, the real estate investment advisory division of Landauer Associates, Inc., has arranged a joint venture and financing agreement between the owner of two properties in Indianapolis and a major European pension fund. The properties, Keystone At The Crossing Fashion Mall and 8555 Keystone At The Crossing, were developed by **Philip R. Duke & Associates** and the **Prudential Insurance Company of America**, and are a mixed-use project...**The Central National Bank of New York** and the investment advisory firm of **Abner, Herrman & Brock Inc.** (AHB) have entered into an agreement whereby AHB will offer personalized investment management services to Central National's corporate clients, specifically corporate pension and profit-sharing plans.

Dutch Institutional Holding Company, Inc. (DIHC) Atlanta, has reorganized its operations under the name of **DIHC Management Corporation.** DIHC is the United States real estate entity of **Pensionfund PGGM** of The Netherlands...**The CourTrust Companies**, Miami, a real estate investment firm, has been formed as a joint venture of **Courtelis Capital Company** and **HMG Capital Corporation**, headed by Alec Courtelis and Maurice Wiener respectively. Richard Schwartz serves as president and director of the CourTrust Companies.

Branch Banking and Trust Company, Raleigh, NC, will develop a 401(k) plan covering approximately 255,000 North Carolina employees, teachers, law enforcement officers and other local government employees. In addition to State employees eligible to participate, the special annuity savings fund of the State's law enforcement officers retirement system, estimated at $26 million, was transferred to this 401(k) on January 1...**Boston Safe Deposit and Trust Company** has formed two new commingled funds, the Equity Index Fund and the Bond Index Fund. The Equity Index Fund is designed to closely approximate the S&P Index, while the Bond Index Fund will follow the Shearson Lehman Government/Corporate Bond Index...**T. Rowe Price Associates, Inc.** and **Coldwell Banker Commercial Group, Inc.** have announced a public real estate limited partnership to be offered without sales charge. The T. Rowe Price Realty Income Fund I will invest in a diversified portfolio of existing income-producing business and industrial properties which will be acquired for cash...**South Carolina Electric & Gas Company** has named **The Boston Company** to manage a $30 million dedicated fixed income account...**The Winterthur Insurance Companies** have established a new company, **IFISCO—International Financial and Insurance Services AG**, with offices in Zurich, Switzerland. The purpose of the new company is to